

## **GRADE 2**

### **Communities Here and across the World**

**Standard 2-5:** The student will demonstrate an understanding of trade and markets and the role of supply and demand in determining the price and allocation of goods within the community.

**2-5.2: Summarize the concept of supply and demand and explain its effect on price. (E)**

**Taxonomy Level:** B 2 Understanding /Conceptual Knowledge

**Previous/future knowledge:** This is the first time that students will be introduced to the concepts of supply and demand. They will have discussions of this concept in more detail in high school where the focus will be on the determinants of supply, demand and price allocation (ECON 2.1)

**It is essential for students to know** the definition of supply and demand. Students need to know why prices go up and down in their community market place.

**It is not essential for students to know** factors that cause supply and demand curves to shift and issues relating to equilibrium price and quantity.

#### **Assessment guidelines:**

The objective of this indicator is to *summarize* the concept of supply and demand; therefore the primary focus of assessment should be to generalize the main points in the description of these economic concepts and their effects on price and to generalize why prices change in the marketplace.